



**BOULT • CUMMINGS
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EXECUTIVE SECRETARY

September 21, 2001

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Petition of MCI WorldCom, Inc. to Enforce Interconnection
Agreement with BellSouth Telecommunications, Inc.
Docket No. 99-00662

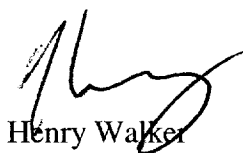
Dear David:

Please accept for filing the Rebuttal Testimony of Dan Aronson filed on behalf of MCI WorldCom, Inc. in the above-captioned proceeding. Copies have been forwarded to counsel for BellSouth Telecommunications, Inc.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:



Henry Walker

HW/nl
Enclosures

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE: PETITION OF MCI WORLDCOM,)
INC. TO ENFORCE INTERCONNECTION) DOCKET NO. 99-00662
AGREEMENT WITH BELL SOUTH)
TELECOMMUNICATIONS, INC.)

REBUTTAL TESTIMONY OF DAN ARONSON

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of my testimony is to rebut the inaccurate statements made by Mr.
3 Finlen and Mr. McIntire. I will provide a factual account of my dealings and the
4 dealings of my staff with Mr. McIntire and his staff in attempting to resolve
5 billing disputes. I believe that the conclusion that the TRA can reach is that
6 BellSouth has acted in bad faith in its dealings with MCI metro.
7
8 My testimony also will rebut Mr. McIntire's unsupported allegation that
9 MCI metro is billing BellSouth for transit traffic that should be billed to other
10 carriers. My testimony will demonstrate that the appropriate reciprocal
11 compensation rate that should have been paid by BellSouth on July 13, 2001 is
12 \$.004 and rebut Mr. Finlen's statements that the rate paid by BellSouth of
13 \$.0008041 is in compliance with the TRA's Order. Finally, My testimony will
14 discuss the MCI metro billing systems and methods by which accurate bills are
15 rendered to BellSouth and the reason why these systems produce "actual charge
16 information" and why the application of BellSouth's PLU is not appropriate

17 **Q. FIRST, PLEASE ADDRESS MR. FINLEN'S ALLEGATION THAT**
18 **MCI metro HAS DEMANDED PAYMENT OF AN AMOUNT THAT**
19 **BELLSOUTH BELIEVES TO BE GROSSLY INACCURATE.**

20 A. Mr. Finlen's testimony, at page 4, states:

21 MCI metro has demanded payment of an amount that
22 BellSouth believes to be grossly inaccurate. When
23 BellSouth questioned MCI metro's method of calculation
24 and disputed the amount, MCI metro responded by filing
25 the Motion for Sanctions.

26 Mr. Finlen would have the TRA believe that MCI metro has acted unreasonably in
27 this matter in filing its Motion for Sanctions and that BellSouth simply had some
28 questions about calculations that should have been addressed thru the dispute
29 resolution process spelled out in the contract. As the remainder of my testimony

1 discusses, the filing of the Motion for Sanctions by MCImetro on August 20,
2 2001 represents the end point of a long and frustrating twenty month period
3 during which MCImetro attempted to discuss with BellSouth its "questions" about
4 MCImetro's reciprocal compensation billings and was met with stonewalling
5 tactics.

6 I would also note that BellSouth had ample opportunity to have its "questions"
7 answered previously in the testimony and hearings during the earlier proceedings
8 in this case.

9 **Q. WHAT DO YOU MEAN BY YOUR STATEMENT THAT BELL SOUTH**
10 **COULD HAVE HAD ITS "QUESTIONS" ANSWERED PREVIOUSLY IN**
11 **THE EARLIER PROCEEDINGS IN THIS CASE?**

12 A. The "questions" that I assume Mr. Finlen is referring to are regarding the issues
13 surrounding BellSouth's local and toll usage disputes based on their claimed
14 originating usage and PLU measurements.

15 This case began as a Petition filed by MCImetro in September, 1999 to enforce its
16 interconnection agreement with BellSouth. My direct testimony in that case was
17 filed on May 11, 2000. In that testimony, I filed a schedule as Exhibit 1 to that
18 testimony which showed the dollar amount that MCImetro claimed was due and
19 owing as of that date. I stated on page 2 of my direct testimony, "As of the last
20 invoice sent to BST on April 10, 2000, the total amount that is due and owing
21 from BST to MCImetro for reciprocal compensation in Tennessee is \$3,575,462."
22 In support of that figure, Exhibit 1 to my testimony displayed on a monthly basis
23 both the local and toll minutes of use that had been billed to BellSouth and which
24 formed the basis for MCImetro's claim. I have attached a copy of my direct
25 testimony as well as Exhibit 1, which is already part of the record of this case. At
26 the time of the filing of that schedule as Exhibit 1 to my testimony, BellSouth was
27 well aware of MCImetro's position on their local and toll usage disputes based on
28 their claimed originating usage and PLU measurements.

29 **Q. HOW DO YOU KNOW THAT BELL SOUTH WAS AWARE OF**
30 **MCImetro's POSITION ON THEIR LOCAL AND TOLL USAGE**
31 **DISPUTES BASED ON THEIR CLAIMED ORIGINATING USAGE AND**
32 **PLU MEASUREMENTS?**

33 A. As I stated in my Affidavit, BellSouth began disputing local and toll usage
34 amounts on the MCImetro reciprocal compensation invoices at least as early as
35 January, 2000. The schedule that I presented as Exhibit 1 to my testimony on May
36 11, 2000 contained both local and toll usage for the period from January, 2000
37 through the date of the testimony. On April 14, 2000, approximately one month
38 before my testimony and Exhibit 1 was filed, I had provided Mr. McIntire with a
39 written explanation of MCImetro's position (See, Exhibit 1). In that letter, I
40 advised BellSouth that it was MCImetro's position that MCImetro is not required
41 to apply the Percentage Local Use (PLU) factors supplied by BellSouth and cited

1 the contractual basis for that position. In that letter, I also advised Mr. McIntire of
2 MCImetro's position that the contract provided that the usage measurements for
3 billing were to be made by the terminating party (MCImetro) and that there was
4 no provision in the contract that states that usage measurements made by
5 BellSouth on its originating switch were to supercede MCImetro's usage
6 measurements for billing purposes.

7 Therefore, BellSouth was well aware of MCImetro's position on BellSouth's
8 local and toll usage disputes based on their claimed originating usage and PLU
9 measurements at the time that I presented my testimony and Exhibit 1 with
10 MCImetro's billed local and toll usage on which MCImetro was basing its claim
11 in this case.

12 **Q. DID BELL SOUTH RAISE ITS "QUESTIONS" ABOUT MCImetro's**
13 **LOCAL AND TOLL USAGE BILLINGS IN THIS CASE?**

14 A. No. In response to my direct testimony setting forth the exact amount owed, the
15 minutes of use, and the applicable rates, the only issues presented by BellSouth in
16 this case was their position that reciprocal compensation should not be applied to
17 ISP-bound traffic and that MCImetro was not entitled to bill the tandem
18 interconnection rate of \$.005 per minute of use. BellSouth did not present
19 testimony or raise any issue in those proceedings concerning the local and toll
20 usage amounts presented in support of MCImetro's claim in Exhibit 1 to my
21 testimony or otherwise raise any issues regarding the local and toll usage billed by
22 MCImetro.

23
24 **USAGE AND DISPUTE RESOLUTION ISSUES**

25
26 **Q. PLEASE RESPOND TO MR. MCINTIRE'S STATEMENT AT PAGE 9 OF**
27 **HIS TESTIMONY ABOUT THE RESPONSIVENESS OF BELL SOUTH**
28 **TO MCImetro's REQUESTS THAT BELL SOUTH SUPPORT ITS USAGE**
29 **DISPUTES.**

30 A. At page 9 of his testimony, Mr. McIntire states,

31 Contrary to Mr. Aronson's allegations, I regularly return
32 Mr. Aronson's calls. I am not aware of any request for
33 information from Mr. Aronson that has not been addressed.
34 I believe BellSouth has provided all information requested
35 by MCImetro.

36 Mr. McIntire is wrong. As I explained in my Affidavit, in January, 2000, we
37 began to see BellSouth unilaterally withholding payment for reciprocal
38 compensation and stating in their "dispute" letter that, "We are paying usage

1 based on BellSouth's [the originating party] recordings". On April 14, 2000, I
2 sent Mr. McIntire a letter (Attached as Exhibit 1) and advised BellSouth that
3 Attachment IV, Paragraph 7.1 of the contract clearly provides that the billing
4 party (MCImetro) is to develop usage for connectivity billings based on the AMA
5 recordings at its terminating switch. In that letter, I requested of Mr. McIntire that
6 he provide BellSouth's usage measurements that provided the basis for his dispute
7 so that MCImetro could investigate and isolate any extraordinary variations.

8 As my Affidavit further explained, throughout the year, we continued to request
9 of BellSouth that they provide us with the usage measurement detail from their
10 originating switch recordings so that we could analyze and reconcile their data
11 with ours. No data was provided for Tennessee. Data provided by BellSouth for
12 other states was, by admission of BellSouth erroneous, incomplete and
13 inadequate.

14 BellSouth's resistance to disclosing their usage measurement detail extended even
15 to providing specific gross comparative usage values upon which dollars withheld
16 were based. In a phone conversation in December, 2000 in which we were
17 attempting to address disputed issues, I was told by a member of Mr. McIntire's
18 staff that they had been instructed "by upper management" not to provide any
19 written data to MCImetro which disclosed the actual usage quantity in dispute.
20 During this conversation, they did finally agree to provide to me verbally the
21 gross usage measurement values but only for a single billing period.

22 Finally, about a year later, I corresponded with Mr. McIntire through a series of e-
23 mails (Attached as Exhibit 2) that began on May 24, 2001 about obtaining the
24 claimed BellSouth usage data to support their usage disputes and reciprocal
25 compensation withholdings. On May 24, 2001, I requested that Mr. McIntire let
26 me know in writing when he would be responding to our request that BellSouth
27 provide MCImetro with its originating usage data to support their withholding of
28 reciprocal compensation payments. On June 1, 2001, Mr. McIntire responded by
29 stating that it would be "imprudent" to make any adjustments to the amount in
30 dispute. In response, by an e-mail dated June 4, 2001, I asked once again for his
31 response and asked Mr. McIntire that, since he was unable to provide MCImetro
32 with BellSouth originating usage data to support his withholdings, that he "review
33 the usage data that MCImetro had previously provided in support of our billings.
34 You should be able to identify any originating sources that are not those of
35 BellSouth. You have repeatedly failed to respond in kind to requests for data to
36 support your usage disputes. What is your plan here?" The usage data previously
37 provided by MCImetro in support of our billings referenced in this e-mail is the
38 May and December, 2000 data, which I discussed in my Affidavit in Paragraph
39 13. Mr. McIntire never answered.

1
2 **TRANSIT TRAFFIC ISSUE**

3
4 **Q. PLEASE ADDRESS MR. MCINTIRE'S ALLEGATION THAT MCImetro**
5 **IS BILLING BELLSouth FOR TRANSIT TRAFFIC. .**

6 A. At page 6 of his testimony, Mr. McIntire states that,

7
8 It appears from the data that we have gathered that
9 MCImetro is billing BellSouth for *all* of the traffic
10 traversing the BellSouth switches, not just the traffic
11 originated by BellSouth. In other words, MCImetro is
12 billing BellSouth for transit traffic, which is traffic that is
13 originated by a carrier other than BellSouth, such as an
14 Independent company (ICO), a CLEC other than
15 MCImetro, or an interexchange carrier (IXC). This is
16 significant because MCImetro is not allowed to bill
17 BellSouth for transit traffic. Instead, MCImetro is
18 supposed to bill those carriers (ICOs, CLECs and IXC's)
19 directly .

20 As an initial matter, this is actually the first time that I have ever heard BellSouth
21 put forth any hypothesis for their withholding of reciprocal compensation
22 payments based on usage. Secondly, if Mr. McIntire has proof of this allegation
23 based on "data that we have gathered", Mr. McIntire should have provided this
24 data to MCImetro during the last twenty months that I have repeatedly asked him
25 for BellSouth usage data. In any event, BellSouth has never identified any transit
26 traffic billed in error by MCImetro to BellSouth in any of the traffic data that
27 MCImetro has provided to BellSouth. Furthermore, such an identification would
28 have been simple enough. All that BellSouth would have had to do was identify
29 the originating NPA/NXXs in the MCImetro-supplied data that were not
30 associated with a BellSouth Operating Company Number (OCN). In my June 4,
31 2001 request to Mr. McIntire, I specifically requested that BellSouth review the
32 usage data that MCImetro had previously supplied and identify any originating
33 usage that was not BellSouth's. Given that Mr. McIntire has never done so (or at
34 least he has never identified any mis-billed transit traffic in this data to
35 MCImetro) and that he has never provided MCImetro with this data he now
36 claims "we have gathered", despite numerous and repeated requests, I conclude
37 that Mr. McIntire's statement is nothing more than an unsupported allegation.

38 I disagree with Mr. McIntire when he says that MCImetro is billing BellSouth for
39 all of the traffic that is traversing the BellSouth network regardless of whether
40 that traffic was originated by BellSouth. MCImetro billing systems excludes from
41 usage billed to BellSouth the traffic that was originated by other carriers.

1 Attachment IV Interconnection, Section 3 of the contract specifies the signaling
2 protocol to be utilized between the MCImetro and BellSouth network. As
3 described in that Section, the originating carrier (BellSouth) is required to provide
4 signaling parameters that will include the telephone number (NPA/NXX) of the
5 calling party to the terminating carrier's (MCImetro) switch. From this
6 originating call information, the MCImetro billing system can identify the Local
7 Exchange Carrier from which each call originated by comparing the originating
8 NPA/NXX to industry published reference tables. In cases where calls are
9 originated from ported numbers, the originating local routing number (LRN) is
10 used to determine the Local Exchange Carrier that originated the call. For
11 connectivity bills sent to BellSouth, the MCImetro billing system excludes usage
12 originated from telephone numbers that are not BellSouth's. This is not a unique
13 protocol. It is the protocol prescribed by industry standards and utilized by the
14 industry.

15
16 **BELLSOUTH ACCESS TO USAGE FOR PORTED NUMBERS ISSUE**

17
18 **Q. PLEASE ADDRESS MR. MCINTIRE'S COMMENTS AT PAGE 7**
19 **REGARDING PORTED NUMBERS.**

20 **A.** Mr. McIntire's testimony at page 7 states that,

21 MCImetro contends that BellSouth is failing to include
22 minutes of use directed to ported numbers. In other words,
23 MCImetro contends that when an end user calls a number
24 that has been ported to MCImetro, the BellSouth switches
25 are not capturing those calls. MCImetro's contention is
26 simply wrong. BellSouth's AMA data reflects ported
27 numbers.

28 I assume that Mr. McIntire is referring to my Affidavit. My Affidavit made no
29 such "contention" and I don't doubt that BellSouth's AMA records reflect calls to
30 ported numbers. In fact, industry standards prescribe that BellSouth include
31 identifiers of ported numbers in their AMA records. In my Affidavit, at Paragraph
32 13, I was discussing the information that Mr. McIntire's staff had access to. As
33 my Affidavit indicated, MCImetro provided its own usage data to BellSouth in
34 December, 2000 in an attempt to reconcile possible usage variations because of
35 BellSouth's claimed inability to extract that information. The issue here is that
36 BellSouth analysts made no attempt to extract that data to facilitate a meaningful
37 usage comparison. As stated in my Affidavit,

38 Upon inquiry by my staff, BellSouth could provide no
39 information on the end office of the point of origination and
40 confirmed that they had no means by which to include

1 traffic that may have been terminated to numbers that
2 WorldCom may have ported from other carriers.

3 The context of this statement in my Affidavit should have been clear to Mr.
4 McIntire, since he was copied on a series of December 19, 2000 e-mail
5 correspondence (Attached as Exhibit 3) between my staff and his staff which
6 confirmed this very point. On December 19, 2000, Gary Case, on my staff, wrote
7 to Ronald Moreira on Mr. McIntire's staff in an attempt to gather information in
8 his investigation of BellSouth's claimed usage variances. Gary suggested that
9 BellSouth data on ported numbers that the BellSouth system identifies as
10 MCImetro's might provide some insight into potential reasons for these claimed
11 variances. On that same day, Mr. Moreira confirmed,

12 I have no way of to determine either the phone numbers or
13 the total of phone numbers currently being ported to
14 WorldCom/MCI. If this were available to me I would
15 have been able to reply with more useful information to
16 you. However, this data is just not available to me .

17 First, we are told on December 19, 2000 that Mr. McIntire's analysts have no way
18 to determine the identity of calls to ported numbers. Then, in Mr. McIntire's
19 testimony, we are forcefully instructed that they absolutely have this information
20 available. In the end, BellSouth basically is asserting that it has the AMA records
21 with the originating Local Routing Number (LRN) upon which its usage disputes
22 are supposedly predicated. But, BellSouth admits that they cannot provide this
23 data to us. Concurrently, they claim superiority of their systems and
24 measurements are superior to MCImetro's, but they cannot access critical
25 information when requested.

26 **Q. COULD YOU PLEASE COMMENT ON MR. FINLEN'S DISCUSSION OF**
27 **THE DISPUTE RESOLUTION PROCESS IN THE CONTRACT.**

28 A. As my testimony and previous Affidavit explains, Attachment IV, Paragraph 7.1
29 of the contract clearly provides that billing party (MCImetro) is to develop usage
30 for connectivity billings based on the AMA recordings at its terminating switch.
31 In the Connectivity Billing section of Attachment VIII, Paragraph 3.1.15 clearly
32 provides that the billed party is to pay within 30 days of the issue date of the bill.
33 Where there is a dispute about a bill, as Mr. Finlen describes, Paragraph 3.1.18
34 describes a process for dispute resolution to be invoked by the disputing party.
35 While not explicitly stated in that section, inherent in the dispute resolution
36 process is a requirement that the party making the dispute provide information to
37 support the dispute.

38 As I have discussed in my Affidavit and this testimony and as is evidenced by the
39 correspondence attached as Exhibits to this testimony, I have attempted on
40 numerous occasions to get Mr. McIntire to provide information in support of
41 BellSouth's disputes. Mr. Finlen's testimony at page 11 asserts that BellSouth

1 has followed the proper dispute resolution procedures in the contract because,
2 "BellSouth sends a letter to MCImetro explaining any amounts withheld to
3 institute a billing dispute". I disagree.

4 I have attached a copy of a BellSouth billing dispute letter dated August 2, 2000
5 (Attached as Exhibit 4), which is illustrative of what MCImetro has received from
6 BellSouth throughout the period. I would note the following about this dispute
7 letter.

8 First, the letter begins, "This is to confirm our conversation of – inserted - June
9 27, 2000." BellSouth's form dispute letter has routinely contained this opening
10 statement for some time and it is routinely false. Mr. McIntire's staff does not
11 routinely have conversations with my staff prior to sending such dispute letters, as
12 reflected in my letter of Nov. 29, 2000, to Mr. Jerry Hendrix (included in Exhibit
13 4) and I have demanded on several occasions that BellSouth cease making false
14 statements in its form dispute letters. This letter demonstrates the falsity of these
15 statements. Carla Murphy of Mr. McIntire's staff is representing that she had a
16 conversation with Danielle Carver on my staff on June 27, 2000 about disputed
17 charges on an invoice that was not issued until July 10, 2000, some 13 days after
18 the alleged conversation.

19 Second, the BellSouth form dispute letter states, "the minutes of use invoiced
20 exceed the minutes of use recorded by BellSouth for the same period of time.
21 Please see attachment for details". As is evident from a review of the BellSouth
22 dispute letter in Exhibit 4, the attachment to the dispute letter provides no such
23 details. This, however, is the full extent of the explanation and information that
24 MCImetro has received over the past twenty months while BellSouth withholds
25 millions of dollars in reciprocal compensation billed by MCImetro. As I
26 previously stated, to date, BellSouth has not and will not provide MCImetro with
27 its claimed measurement of minutes of use invoiced which "exceed the minutes of
28 use recorded by BellSouth for the same period of time".

29 **Q. PLEASE COMMENT ON MR. FINLEN'S STATEMENT THAT**
30 **BELLSOUTH HAS TRIED TO INVOKE THE DISPUTE RESOLUTION**
31 **PROCEDURES OF THE CONTRACT.**

32 **A.** Mr. Finlen's testimony, at page 5, states,

33 BellSouth has tried to invoke this [dispute resolution]
34 procedure more than once via two letters to MCImetro's
35 outside counsel, and rather than engaging in the
36 contractually agreed upon method of settling such disputes,
37 MCImetro has breached the Interconnection Agreement,
38 submitted an Affidavit alleging, incorrectly, that BellSouth
39 has not invoked the dispute resolution process and asked
40 the TRA to grant MCImetro the right to unilaterally
41 determine the amounts owed pursuant to the TRA's Order.

1 The two letters Mr. Finlen refers to invoking the dispute resolution procedure
2 were sent to MCImetro's local counsel by BellSouth's regulatory department on
3 July 27, 2001 and August 8, 2001. As I have discussed, BellSouth began
4 withholding payment on reciprocal compensation invoices sent by MCImetro in
5 January, 2000, some twenty months ago on the basis of these claimed local and
6 toll usage disputes. I would have expected Mr. McIntire to invoke the dispute
7 resolution process at that time, not have BellSouth's regulatory department invoke
8 such processes by letter to MCImetro's outside counsel approximately two weeks
9 after the TRA Ordered BellSouth to pay MCImetro the amounts that it was owed.

10
11 **THE APPROPRIATE RATE RECIPROCAL COMPENSATION RATE TO BE**
12 **PAID IN COMPLIANCE WITH THE TRA'S JULY 12 ORDER**

13
14 **Q. PLEASE COMMENT ON MR. FINLEN'S STATEMENT THAT THE**
15 **APPROPRIATE RATE TO BE PAID MCImetro IS \$.0008041 PER**
16 **MINUTE OF USE.**

17 **A.** As I understand, the Initial Order of the Hearing Officer, which became the Order
18 of the TRA on June 30, 2001, found that the appropriate rate to be paid was the
19 Direct End Office Interconnection rate of \$.004 per minute of use, which is found
20 in Table 1 of Attachment I, Pricing Schedule, of the contract. While MCImetro
21 initially took exception to this finding, those exceptions were dismissed on July 2,
22 2001. The decision to dismiss that appeal was made in order to obtain some
23 finality with this matter in Tennessee with the expectation that BellSouth would
24 pay the rate ordered by the TRA. This expectation was not realized.

25 The TRA made its decision on July 10, 2001, directing BellSouth to pay
26 MCImetro the reciprocal compensation amounts that were due by July 13, 2001.
27 As I discuss in my Affidavit, on July 16, 2001, MCImetro received a letter from
28 BellSouth (attached as Exhibit 5), which indicated that they were paying at a rate
29 of \$.0008041 for the period from April 4, 2000 to present. As a result, BellSouth
30 indicated that they had unilaterally calculated an adjustment and were withholding
31 approximately \$2.6 million of the \$10.2 million due.

32 On July 20, 2001, I sent a response to BellSouth (Attached as Exhibit 6) in which
33 I responded to BellSouth's July 16, 2001 letter and indicated that,

34 Per the Agreement, retroactive rates are only to be applied
35 after a new agreement has been executed and approved. As
36 this has not occurred in Tennessee between MCI and
37 BellSouth, no true-up is required. The Agreement does not
38 allow parties to unilaterally apply a true-up in anticipation
39 of a new contract. Thus, the rate of \$.004 is the appropriate
40 rate and BellSouth's \$2.6 million claim is not allowed per
41 the Agreement.

1 I would note that Mr. Finlen apparently agrees with this interpretation. At page 6
2 of his testimony, Mr. Finlen states,

3 However, Section 3, Part A of the current Interconnection
4 Agreement states that the term of the next Interconnection
5 Agreement will apply retroactively to the expiration date of
6 the [present] Interconnection Agreement at issue in this
7 case.

8 **Q. PLEASE COMMENT ON MR. FINLEN'S STATEMENT THAT**
9 **BELLSOUTH OFFERED TO AMEND THE CONTRACT TO**
10 **INCORPORATE THE NEW RECIPROCAL COMPENSATION RATE.**

11 A. On August 8, 2001, almost a month after BellSouth had been directed by the TRA
12 to pay MCImetro at a rate of \$.004 and their unilateral decision to pay at a rate of
13 \$.008041, BellSouth sent a proposed amendment to MCImetro's outside counsel
14 to change the reciprocal compensation rates in the contract. MCImetro did not
15 execute this amendment. As I discussed in my Affidavit, there are provisions for
16 retroactive credits back to the date of the expiration of the present contracts
17 contained in all of the present interconnection contracts between WorldCom's
18 local entities and BellSouth in Florida, Georgia, North Carolina, Mississippi and
19 Tennessee. At the time new contracts are executed, WorldCom expects a timely
20 reconciliation of accounts with BellSouth to reflect credits going both ways with
21 MCImetro to receive credits for services purchased from BellSouth and BellSouth
22 to receive credits for services purchased from MCImetro to reflect lower rates.

23 While Mr. Finlen's testimony states that Section 2 of Part A of the contract "gives
24 both parties the right to seek an amendment to the Interconnection Agreement,
25 Mr. Finlen must also be aware that Section 28 of Part A provides that "No
26 provision of this Agreement shall be deemed waived, amended or modified by
27 either party unless such a waiver, amendment or modification is in writing, dated
28 and signed by both parties."

29 **Q. MR. FINLEN STATES THAT THE RATE IN THE CONTRACT**
30 **CHANGED AUTOMATICALLY WHEN THE RATE IN THE "ORDER**
31 **OF THE TRA" CHANGED. DO YOU AGREE ?**

32 A. No. While I am not a lawyer (and neither is Mr. Finlen), I don't believe that the
33 phrase cited by Mr. Finlen in Attachment IV, Paragraph 2.2.1 is intended to
34 reference future Orders of the TRA in the manner he suggests. If it did, we would
35 expect to see retroactive credits granted to MCImetro for services purchased from
36 BellSouth in Tennessee under the contract. To my knowledge, no such credits
37 have been issued.

1

2

PERCENTAGE LOCAL USE (PLU) FACTOR ISSUE

3

Q. WHAT ARE THE RELEVANT SECTIONS OF THE CONTRACT DEALING WITH THE APPLICATION OF PLU FACTORS FOR BILLING PURPOSES?

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A. As I stated in my Affidavit, the relevant sections of the contract are as follows:

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Paragraph 7.1 of Attachment IV, "Interconnection", provides that "Each party shall calculate terminating interconnection minutes of use based on standard Automatic Message Accounting (AMA) recordings made within each party's network. These recordings being necessary for each party to generate bills to the other party." Thus, it is clear that the usage information for billing are to be based on the AMA recordings of the MCImetro switch where the call terminates. Furthermore, the jurisdictionalization of these calls as either "Local Traffic", to which the reciprocal compensation rate is to apply or toll traffic, to which MCImetro's intrastate switched access charges are to apply, is also to be performed by the billing party based on the AMA recordings on the terminating switch. Mr. McIntyre's testimony describes this AMA data "in a nutshell" as providing the NPX/NXX's of the originating point and terminating point of the call. From a determination of the originating and terminating points of the call, MCImetro can determine whether the call is to be jurisdictionalized and rated as "Local Traffic" or toll traffic.

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Paragraph 3.1.7 of Section 3 "Connectivity Billing" in Attachment VIII, provides for an exception to the use of AMA recordings at the terminating party's switch for the jurisdictionalization of terminating minutes of use. That paragraph states, "provided that, for those usage based Connectivity Charges where actual charge information is not determinable by [the billing party] because the jurisdiction (i.e. interstate, interstate/interLATA, intrastate, intrastate/intraLATA, local) of the traffic is unidentifiable, or for other reasons, the parties shall jointly develop a process to determine the appropriate charges."

30

Q. WHAT DOES BELL SOUTH SAY ABOUT THESE PROVISIONS?

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A. Mr. Finlen, at page 8 of his testimony appears to concede that Paragraph 7.1 of Attachment IV does provide that MCImetro is to utilize the AMA recordings at its terminating switch to render connectivity bills. Both Mr. Finlen and Mr. McIntire, however, contend that this process cannot yield "actual charge information" and therefore, Paragraph 3.1.17 of Attachment VIII requires the use of a Percent Local Usage (PLU) factor to be developed and supplied by BellSouth.

38

39

Q. WHY DOES MR. FINLEN AND MR. MCINTIRE SAY THAT MCImetro CANNOT DEVELOP "ACTUAL CHARGE INFORMATION"?

1 A. Both Mr. Finlen and Mr. McIntire say that MCImetro cannot know the actual
2 charge information because MCImetro does not have access to BellSouth's
3 customers' customer service record (CSR's) to determine whether the customer
4 has subscribed to a BellSouth Optional Calling Plan. As stated by Mr. McIntire,
5 when the BellSouth customer signs up for these optional plans, "a call that
6 traditionally would be intraLATA [toll] is transformed into a call that is local" for
7 that customer.

8 **Q. IS THE FACT THAT A BELL SOUTH CUSTOMER HAS SUBSCRIBED**
9 **TO AN OPTIONAL CALLING PLAN RELEVANT TO THE**
10 **JURISDICTIONALIZATION OF CALLS AS LOCAL OR TOLL OR THE**
11 **IDENTIFICATION OF "ACTUAL CHARGE INFORMATION"?**

12 A. No. The term "Local Traffic" is specifically defined in the contract, at Paragraph
13 2.2.1 of Attachment IV, as "any telephone call that originates in one exchange
14 and terminates in the same exchange, or a corresponding Extended Area Service
15 (EAS) exchange. The terms Exchange and EAS exchanges are defined and
16 specified in Section A3. Of BellSouth's General Subscriber Services Tariff."

17 MCImetro's switch is physically located in the Memphis rate center. Section
18 A.3.6 of the BellSouth General Subscriber Services Tariff specifies the Local
19 Calling Areas. At Section 3.6.1 of that Tariff, the Memphis Metropolitan local
20 calling area is defined as follows:

| | | |
|----|--------------------------|---|
| 21 | | |
| 22 | Exchange | Additional Exchanges |
| 23 | | |
| 24 | Memphis (Memphis | Arlington, Collierville, Marion, AR, Memphis, MS, |
| 25 | Metropolitan – Tennessee | Millington, Moscow, Rosemark, Shelby Forest, West |
| 26 | Zone) | Memphis, AR. West Whiteville, Tennessee subscribers |
| 27 | | Also receive some local calling from Covington, |
| 28 | | Drummonds, Lagrange, Mason, Munford and Somerville. |
| 29 | | |

30 This description of the exchange and additional exchanges in the Memphis
31 Metropolitan local calling zone is also consistent with the service description of
32 the MCImetro local calling area at Section 3.1.1 in the MCImetro local exchange
33 tariff. The MCImetro tariff states that customers are able to place or receive local
34 calls to any calling station in the defined local calling area.

35 As I stated in my Affidavit, WorldCom's billing system is able to capture from
36 the terminating call detail the originating and terminating telephone number
37 information embedded in the AMA records on an individual call basis. Once this
38 is done, the NPA/NXX information provides the originating point and terminating
39 point of the call. If the originating point and terminating point are within the
40 above listed exchanges in the BellSouth local exchange tariff for the Memphis
41 Metropolitan local calling zone, then the call is jurisdictionalized as "Local

1 Traffic” and the reciprocal compensation rate in the contract is applied. If the
2 NPA/NXX information indicates that the origination point of the call is from an
3 exchange not listed in the Memphis Metropolitan local calling zone, then the call
4 is jurisdictionalized as toll and MCImetro’s intrastate switched access rates are
5 applied. Because only calls with verified MCImetro terminating numbers are
6 billed, the only calls for which jurisdiction cannot be identified are those few for
7 which originating telephone numbers are not provided.

8 **Q. WHAT ABOUT THE SITUATION WHEN A BELLSOUTH SUBSCRIBER,**
9 **WHOSE RESIDES OUTSIDE OF THE MEMPHIS METROPOLITAN**
10 **AREA, BUT WHO HAS SUBSCRIBED TO AN OPTIONAL CALLING**
11 **PLAN, PLACES A CALL TO AN MCImetro CUSTOMER IN MEMPHIS ?**

12 A. If the BellSouth Optional Calling Plan subscriber outside of the Memphis
13 Metropolitan area placed a call to an MCImetro customer in Memphis, the AMA
14 records would indicate, based on the NPA/NXX’s of the originating and
15 terminating points of the call, that the call was a toll call and MCImetro would
16 rate that call for connectivity billing to BellSouth as a toll call.

17 In this instance, the “actual charge information” is resident in the call record.
18 There is no need to rely upon a PLU. Particularly a PLU that overstates the local
19 percentage by reclassifying calls from BellSouth subscribers of flat rated toll calls
20 as local. The determination of whether the call is a local call or a toll call is based
21 on the language in the contract, not on whether the BellSouth end user perceives
22 that he or she is making a “local call” under a BellSouth optional calling plan.

23 **Q. PLEASE ADDRESS THE ISSUE OF COUNTY-WIDE CALLING?**

24 A. Both Mr. Finlen and Mr. McIntire “imply” in their testimony that that, without a
25 BellSouth-provided PLU developed from their CSR data, MCImetro cannot
26 properly jurisdictionalize “county-wide” calls as local, as required by the TRA.
27 This is simply not the case. The MCImetro’s switch is located in the Memphis
28 rate center in Shelby County. Calls from all of the exchanges in Shelby County
29 would be jurisdictionalized as local calls, based on the NPA/NXX codes, by the
30 MCImetro billing system.

31 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

32 A. Yes.

33

ATTACHMENT

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

TH.
JUL 11 PM 1 56
REG. SECRETARY

IN RE: PETITION OF MCI)
WORLDCOM TO ENFORCE) DOCKET NO. 99-00662
INTERCONNECTION)
AGREEMENT)

DIRECT TESTIMONY

OF

DAN ARONSON

ON BEHALF OF

MCI WORLDCOM, INC.

AND

MCImetro ACCESS TRANSMISSION SERVICES, INC.

May 11, 2000

1 **BEFORE THE TENNESSEE REGULATORY AUTHORITY**

2 **DIRECT TESTIMONY**

3 **OF**

4 **DAN ARONSON**

5 **ON BEHALF OF MCI WORLDCOM, INC.**

6 **AND**

7 **MCImetro ACCESS TRANSMISSION SERVICES, INC.**

8 **DOCKET NO. 99-00662**

9
10 **Q. What is your name, position of employment and business address?**

11 A. My name is Daniel Aronson. My position of employment is Director of Carrier Access
12 Billing for MCI WorldCom companies. My business address is 500 Clinton Center Drive,
13 Clinton, Mississippi, 39056.

14
15 **Q. Do your duties as Director of Local Carrier Revenue Services include responsibilities**
16 **regarding Tennessee reciprocal compensation?**

17 A. Yes. My duties today include responsibility for rendering invoices to BellSouth ("BST") for
18 reciprocal compensation payments for the termination of local calls from BST customers to
19 customers of MCImetro Access Transmission Services Inc. ("MCImetro") pursuant to the
20 Tennessee interconnection contract between MCImetro and BST. Prior to the beginning of
21 1999, the responsibility for billing reciprocal compensation was with the MCImetro Billing
22 group.

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Q. What is the purpose of your testimony?

A. The purpose of my testimony is to identify the amount of reciprocal compensation that is currently due and owing from BST to MCImetro in Tennessee.

Q. What is the amount of the outstanding balance that is due and owing from BST to MCImetro in Tennessee?

A. As of the last invoice sent to BST on April 10, 2000, the total amount that is due and owing from BST to MCImetro for reciprocal compensation in Tennessee is \$ 3,575,462. I have attached as Exhibit 1 to my testimony a summary of the MCImetro Reciprocal Compensation Invoice transactions from the first open invoice in April 1997, to the April 10, 2000 invoice. This summary shows the amounts billed to BST for reciprocal compensation pursuant to the interconnection agreement in Tennessee, as well as amounts paid by BST on such charges.

Q. Was Exhibit 1 prepared under your direct supervision?

A. Yes.

Q. Is the information in Exhibit 1 accurate?

A. Yes

Q. What reciprocal compensation rates were used?

1 A. The reciprocal compensation rates that have been billed to BST are contained in the
2 interconnection agreement. Paragraph 2.2 of Attachment IV states that BST and MCImetro
3 "shall bill each other reciprocal compensation at the rates set forth for Local Interconnection
4 in this Agreement and the Order of the TRA". Table 1 of Attachment I of the
5 interconnection agreement specifies the rates that were established by the TRA. BST has
6 billed MCImetro \$.005 per minute (Interconnection Through the BellSouth Tandem).
7 Therefore, MCImetro has billed BST a reciprocal rate of \$.005 per minute for local calls
8 from customers of BST to customers of MCImetro.

9
10 **Q. Has BST paid reciprocal compensation to MCImetro on ISP-bound local traffic?**

11 A. Based on the records that I have, BST began in late 1997 to unilaterally withhold approximately
12 50% of the invoiced reciprocal compensation amounts based on BST's internal estimate of
13 the portion of the reciprocal compensation invoices it claimed was attributable to calls to
14 ISPs. The account history summarized in Exhibit 1 shows that withholdings of a greater
15 percentage began in approximately February of 1999. I understand today that BellSouth is
16 also disputing the \$.005 rate level for reciprocal compensation that has been billed by
17 MCImetro, but I cannot pin down exactly when BST's withholdings based on that dispute
18 began.

19 Neither BST nor MCImetro can precisely segregate ISP-bound local calls from other local
20 calls. However, BST has not paid MCImetro's invoices in full, and BST has indicated that
21 it is attempting to avoid paying reciprocal compensation on ISP-bound local traffic.

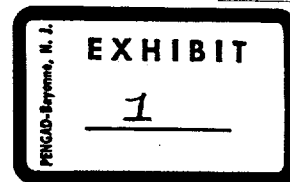
1 **Q. What did MCImetro do about BST's refusal to pay fully invoices for reciprocal**
2 **compensation?**

3 A. MCImetro has sent demand letters to BST requesting that BST pay the invoices in full.. BST
4 has refused. As a result, MCImetro has been forced to file this complaint for enforcement of
5 its interconnection agreement with the Tennessee Regulatory Authority.

6 **Q. Does this conclude your direct testimony?**

7 A. Yes.

8



INSATION TRANSACTION HISTORY
 ESS TRANSMISSION SERVICES / MCI WORLDCOM
 ESSEE - MEMPHIS TENNESSEE MARKET
 : OF MAY

TRANSACTIONS VIA MCI METRO ACCESS TRANSMISSION SERVICES BILLING GROUP

| Invoice Date | Toll MOU | Toll Chg. | Local MOU | Local Chg. | Adjustments | Usage Charges | Payments | Balance |
|--------------|----------|-----------|-----------|------------|---------------|---------------|-----------------|---------------|
| 04/01/97 | unavail | unavail | unavail | unavail | | 5.14 | -3.09 | 2.05 |
| 05/01/97 | unavail | unavail | unavail | unavail | | 17.03 | | 17.03 |
| 06/01/97 | unavail | unavail | unavail | unavail | | 1,030.36 | | 1,030.36 |
| 07/01/97 | unavail | unavail | unavail | unavail | | 4,445.59 | | 4,445.59 |
| 08/01/97 | unavail | unavail | unavail | unavail | | 6,835.62 | | 6,835.62 |
| 09/01/97 | unavail | unavail | unavail | unavail | | 18,144.53 | | 18,144.53 |
| 10/01/97 | unavail | unavail | unavail | unavail | | 18,566.65 | (9,282.64) | 9,284.01 |
| 11/01/97 | unavail | unavail | unavail | unavail | | 26,637.72 | (9,077.02) | 17,560.70 |
| 12/01/97 | unavail | unavail | unavail | unavail | | 24,211.76 | (12,104.15) | 12,107.61 |
| 01/01/98 | unavail | unavail | unavail | unavail | | 66,164.21 | (33,080.03) | 33,084.18 |
| 02/01/98 | unavail | unavail | unavail | unavail | | 63,610.93 | (63,602.05) | 8.88 |
| 03/01/98 | unavail | unavail | unavail | unavail | | 50,872.93 | (50,868.59) | 4.34 |
| 04/01/98 | unavail | unavail | unavail | unavail | | 59,814.07 | (59,802.59) | 11.48 |
| 05/01/98 | unavail | unavail | unavail | unavail | | 31,027.89 | (24,444.76) | 6,583.13 |
| 06/01/98 | unavail | unavail | unavail | unavail | | 56,270.58 | (36,378.00) | 19,892.58 |
| 07/01/98 | unavail | unavail | unavail | unavail | | 58,320.27 | (56,205.90) | 2,114.37 |
| 08/01/98 | unavail | unavail | unavail | unavail | | 57,286 | (51,761.02) | 5,524.98 |
| 09/01/98 | unavail | unavail | unavail | unavail | | 72,382.37 | (65,405.53) | 6,976.84 |
| 10/01/98 | unavail | unavail | unavail | unavail | | 83,265.24 | (75,237.83) | 8,027.41 |
| 11/01/98 | unavail | unavail | unavail | unavail | | 78,717.21 | (68,439.85) | 10,277.36 |
| 12/01/98 | unavail | unavail | unavail | unavail | -4,652 | 85,269.10 | (35,808.25) | 44,808.85 |
| 01/01/99 | unavail | unavail | unavail | unavail | | 84,968.40 | (35,678.67) | 49,289.73 |
| | | | | | \$ (4,652.00) | \$ 947,863.60 | \$ (687,179.97) | \$ 256,031.63 |

TRANSACTIONS VIA MCI / WORLDCOM CARRIER BILLING GROUP

| | Toll MOU | Toll Chg. | Local MOU | Local Chg. | Adjustments | Usage Charges | Paymets | Balance |
|-----------|------------|-----------------|-------------|-----------------|---------------|-----------------|-----------------|-----------------|
| 02/10/99 | 1,157,374 | \$ 70,807.62 | 17,924,441 | \$ 89,622.21 | | \$ 160,429.83 | (51,323.36) | \$ 109,106.47 |
| 03/10/99 | 865,407 | 52,945.58 | 13,951,750 | 69,758.75 | 67,033.24 | 122,704.33 | (9,966.03) | 179,771.54 |
| 04/10/99 | 1,006,473 | 61,576.70 | 16,490,062 | 82,450.31 | | 144,027.01 | (9,568.18) | 134,458.83 |
| 05/10/99 | 801,471 | 49,034.42 | 13,736,820 | 68,684.11 | 134,066.48 | 117,718.53 | (3,754.02) | 248,030.99 |
| 06/10/99 | 1,193,069 | 72,992.04 | 18,747,260 | 93,736.31 | 82,851.44 | 166,728.35 | (21,599.45) | 227,980.34 |
| 07/10/99 | 1,102,528 | 67,453.26 | 16,837,914 | 84,189.57 | 82,440.38 | 151,642.83 | (19,046.48) | 215,036.73 |
| 08/10/99 | 1,236,342 | 75,640.26 | 17,818,085 | 89,090.44 | 53,803.19 | 164,730.70 | (16,431.25) | 202,102.64 |
| 09/10/99 | 1,178,242 | 72,085.61 | 17,238,388 | 86,191.94 | 5,739.62 | 158,277.55 | (14,997.05) | 149,020.12 |
| 10/10/99 | 1,032,313 | 63,157.41 | 14,766,989 | 73,834.95 | 1,035.26 | 136,992.36 | (8,982.57) | 129,045.05 |
| 11/10/99 | 1,350,902 | 82,646.90 | 19,692,694 | 98,463.47 | | 181,110.37 | (5,746.89) | 175,363.48 |
| 12/10/99 | 2,062,194 | 126,146.97 | 32,059,875 | 160,299.37 | | 286,446.34 | (9,168.92) | 277,277.42 |
| 01/10/00 | 2,465,808 | 150,840.10 | 37,207,969 | 186,039.84 | | 336,879.94 | (10,569.89) | 326,310.05 |
| 02/10/00 | 3,058,495 | 187,105.03 | 48,034,416 | 240,172.10 | | 427,277.13 | (16,806.58) | 410,470.55 |
| 03/10/00 | 3,359,322 | 205,513.23 | 52,204,750 | 261,023.76 | | 466,536.99 | | 466,536.99 |
| 04/10/00 | 3,574,814 | 218,696.37 | 55,438,566 | 277,192.84 | | 495,889.21 | | 495,889.21 |
| | 25,444,754 | \$ 1,556,641.50 | 392,149,979 | \$ 1,960,749.97 | \$ 426,969.61 | \$ 3,517,391.47 | \$ (197,960.67) | \$ 3,746,400.41 |
| TOTAL DUE | | | | | \$ 422,317.61 | \$ 4,465,255.07 | \$ (885,140.64) | \$ 4,002,432.04 |

| Market | Jurisdiction | Indicator | TimePeriod | 199901 | 199902 |
|---------------------|--------------|-----------|------------|---------------|---------------|
| BELL SOUTH. MEMPHIS | INTRASTATE | 0 C | | 938960 | 809463 |
| BELL SOUTH. MEMPHIS | INTRASTATE | 0 P | | 218414 | 55944 |
| BELL SOUTH. MEMPHIS | INTRASTATE | 1 C | | 57445.44 | 49522.75 |
| BELL SOUTH. MEMPHIS | INTRASTATE | 1 P | | 13362.18 | 3422.83 |
| BELL SOUTH. MEMPHIS | LOCAL | 0 C | | 14667250 | 13156008 |
| BELL SOUTH. MEMPHIS | LOCAL | 0 P | | 3257191 | 795742 |
| BELL SOUTH. MEMPHIS | LOCAL | 1 C | | 73336.26 | 65780.04 |
| BELL SOUTH. MEMPHIS | LOCAL | 1 P | | 16285.95 | 3978.71 |
| | | | | 1,157,374.00 | 865,407.00 |
| | | | | \$ 70,807.62 | \$ 52,945.58 |
| | | | | 0.06118 | |
| | | | | 17,924,441.00 | 13,951,750.00 |
| | | | | \$ 89,622.21 | \$ 69,758.75 |
| | | | | 0.005 | |
| | | | | 0.9393468 | 0.9415943 |
| | | | | \$ 160,429.83 | \$ 122,704.33 |

| 199903 | 199904 | 199905 | 199906 | 199907 | 199908 | 199909 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 941853 | 739502 | 996487 | 1039949 | 1161141 | 1110778 | 952900 |
| 64620 | 61969 | 196582 | 62579 | 75201 | 67464 | 79413 |
| 57623.12 | 45243.09 | 60965.14 | 63624.55 | 71039.47 | 67958.1 | 58299.09 |
| 3953.58 | 3791.33 | 12026.9 | 3828.71 | 4600.79 | 4127.51 | 4858.32 |
| 15445914 | 12773490 | 15499990 | 15965346 | 16604700 | 16283221 | 13679426 |
| 1044148 | 963330 | 3247270 | 872568 | 1213385 | 955167 | 1087563 |
| 77229.57 | 63867.46 | 77499.96 | 79826.73 | 83023.51 | 81416.1 | 68397.13 |
| 5220.74 | 4816.65 | 16236.35 | 4362.84 | 6066.93 | 4775.84 | 5437.82 |
| 1,006,473.00 | 801,471.00 | 1,193,069.00 | 1,102,528.00 | 1,236,342.00 | 1,178,242.00 | 1,032,313.00 |
| \$ 61,576.70 | \$ 49,034.42 | \$ 72,992.04 | \$ 67,453.26 | \$ 75,640.26 | \$ 72,085.61 | \$ 63,157.41 |
| 16,490,062.00 | 13,736,820.00 | 18,747,260.00 | 16,837,914.00 | 17,818,085.00 | 17,238,388.00 | 14,766,989.00 |
| \$ 82,450.31 | \$ 68,684.11 | \$ 93,736.31 | \$ 84,189.57 | \$ 89,090.44 | \$ 86,191.94 | \$ 73,834.95 |
| 0.9424759 | 0.9448717 | 0.9401680 | 0.9385451 | 0.9351152 | 0.9360229 | 0.9346608 |
| \$ 144,027.01 | \$ 117,718.53 | \$ 166,728.35 | \$ 151,642.83 | \$ 164,730.70 | \$ 158,277.55 | \$ 136,992.36 |

| 199910 | 199911 | 199912 | 200001 | 200002 | 200003 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 1285361 | 2015785 | 2398983 | 2978316 | 3250265 | 3,461,878.00 |
| 65541 | 46409 | 66825 | 80179 | 109057 | 112,936.00 |
| 78637.31 | 123307.57 | 146752.3 | 182200.11 | 198841.85 | 211,787.03 |
| 4009.59 | 2839.4 | 4087.8 | 4904.92 | 6671.38 | 6,909.34 |
| 18672231 | 31226063 | 36021146 | 44429322 | 50319085 | 53,380,865.00 |
| 1020463 | 833812 | 1186823 | 3605094 | 1885665 | 2,057,701.00 |
| 93361.15 | 156130.32 | 180105.73 | 222146.61 | 251595.43 | 266,904.33 |
| 5102.32 | 4169.05 | 5934.11 | 18025.49 | 9428.33 | 10,288.51 |
| 1,350,902.00 | 2,062,194.00 | 2,465,808.00 | 3,058,495.00 | 3,359,322.00 | 3,574,814.00 |
| \$ 82,646.90 | \$ 126,146.97 | \$ 150,840.10 | \$ 187,105.03 | \$ 205,513.23 | \$ 218,696.37 |
| 19,692,694.00 | 32,059,875.00 | 37,207,969.00 | 48,034,416.00 | 52,204,750.00 | 55,438,566.00 |
| \$ 98,463.47 | \$ 160,299.37 | \$ 186,039.84 | \$ 240,172.10 | \$ 261,023.76 | \$ 277,192.84 |
| 0.9358046 | 0.9395642 | 0.9378479 | 0.9401386 | 0.9395415 | 0.9394237 |
| \$ 181,110.37 | \$ 286,446.34 | \$ 336,879.94 | \$ 427,277.13 | \$ 466,536.99 | \$ 495,889.21 |

EXHIBIT 1



*Daniel Aronson
Director, Carrier Access Billing
500 Clinton Center Drive Clinton, MS 39056
Phone: 601-460-8060 Fax: 601-460-5115
Email: Daniel.Aronson@Wcom.com*

April 14, 2000

Mr. Richard McIntire
Operations Director
Interconnection Purchasing Center
BellSouth Telecommunications, Inc.
600 North 19th Street
7th Floor
Birmingham, AL 35203

Dear Mr. McIntire:

I have received a letter from Carla Murphy, Service Representative of BellSouth's Interconnection Purchasing Center. This letter enumerates disputes of reciprocal compensation and intraLATA toll charges rendered on the invoice DTN0469M00-0041 for services rendered to BellSouth by MCI Metro Access Transmission Services in the State of Tennessee during the month of January 2000. I telephoned Carla in order to discuss the basis for the disputes of BellSouth. She indicated that she was paying the invoices in accordance with directives issued by her management. Accordingly I am writing to express our response to the dispute claims listed in the letter to assist in reaching a resolution.

BellSouth Disputes Symmetrical Reciprocal Compensation Rates

The Interconnection Agreement provides for symmetry of rates to be charged by each of the carriers to one another. The condition required for allowing BellSouth to charge the combined interconnection termination rate of \$.005 per minute to MCIm is termination of traffic by MCIm on BellSouth's network through the BellSouth tandem. Once this condition is met, the dedicated transport charge, the tandem switching charge, end-office transport and end-office termination charges are prescribed.

The condition under which the same level of charge is to be assessed by MCIm to BellSouth is termination of a call to an MCIm subscriber using the MCIm switch. The same charges, symmetrical to those of BellSouth, as described in Section 2.41 of Attachment IV, are prescribed as applicable for assessment by MCIm when BellSouth terminates calls to MCIm's subscribers using MCIm's switch. The total of the charges for the listed elements is \$.005 per the contract pricing schedule. This is the rate at which we expect to be compensated for services provided to BellSouth.

BellSouth Claims Traffic Terminating to Internet Service Providers is Interstate

This dispute has lingered for many months. MCIm has objected to BellSouth's claim that traffic terminating to Internet Service Providers is interstate in nature. The position of BellSouth is without regulatory support as evidenced by numerous court and commission orders nationwide.

We continue to reject BellSouth's dispute of such charges.

BellSouth Claims That MCIm is Obligated to Use BellSouth Provided PLU Factors

BellSouth appears to believe that their provided PLU factors are to be used in favor of the measurements of the actual traffic terminating through MCIm switches. There is no language in the Interconnection Agreement that limits the methodology by which traffic is jurisdictionalized to application of PLU factors supplied by BellSouth. The language in Attachment IV, Section 8.2 of the Interconnection Agreement

7 14
Mr. Richard McIntire
April 14, 2000
Page 2 of 3

states that "MCIm and BellSouth agree to exchange such reports and/or data as provided in this Attachment in Section 7.3 to facilitate the proper billing of traffic." There is no mandate to use the provided PLU. Provision of the PLU is facilitative when the capability to measure the PLU is unavailable to the party measuring and collecting the traffic. Direct jurisdictionalization of MCIm traffic has been in place in the billing system of MCIWorldcom beginning with January 1999 usage. Our Jurisdictionalization of traffic as local or intraLATA is achieved using originating and terminating NPANXX information embedded in the AMA records. Such combinations are identified as local or intraLATA within a system resident reference table. This table is constructed using the General Subscriber Tariffs of BellSouth, which defines originating and terminating exchange combinations for assessment of local, or intraLATA toll charge treatment.

BellSouth Disputes IntraLATA Toll Rates

During a conversation with Carla Murphy of BellSouth I was told that BellSouth was disputing the rates charged for intraLATA toll calls with the understanding that our rates were based upon the rates presented in the BellSouth Intrastate Access Tariffs. The laws of the state of Tennessee govern IntraLATA rates. Accordingly, our intraLATA rates are those presented in the MCIm intrastate access tariffs operative in the state of Tennessee. Accordingly, these rate disputes are based upon a misunderstanding of the source.

BellSouth Claims Usage Overcharges.

There is no provision in the Interconnection Agreement that indicates that usage measurements derived by BellSouth are to supercede those measured by our call collection and billing systems. Our usage measures and associated charges have followed the procedures prescribed by the Interconnection Agreement. In Attachment IV, Section 7.1, it is stated that "Each party shall calculate terminating interconnection minutes of use based on standard Automatic Message Accounting (AMA) recordings made within each party's network - These recordings being necessary for each party to generate bills to the other party." We are following this prescribed procedure.

If BellSouth has measurements that challenge those made by our systems we invite you to do the following. Provide to us usage measurements that detail usage terminated by BellSouth through the MCIm switch for each day of the period in question. Such usage should be summarized and aggregated by every combination of originating and terminating NPANXX. We can then compare your measures to ours and isolate any extraordinary variations. Such variations can then be researched and discussed. Only through such direct and detailed level of specific comparison of information can such a dispute be considered to be properly presented. In the absence of such detail we must deny your dispute.

BellSouth Has Not Presented Accurate Disclosure of Its Dispute Computations

Disputes should be presented in a manner that discloses the basis of the dispute and an accurate presentation of its impacts upon payments. Applying the dispute rationale presented by BellSouth to the usage invoiced on the February 10 bill yields a higher payment amount than that computed by BellSouth. The assistance of BellSouth in clarifying the computations associated with these and other disputes would be appreciated.

Mr. Richard McIntire
April 14, 2000
Page 3 of 3

Recomputation of BellSouth Dispute Claims

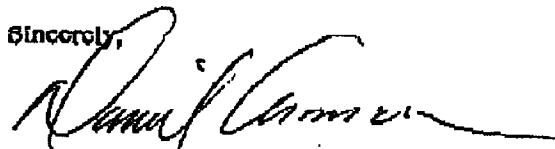
| | |
|---|----------------------|
| Total Current Usage Invoiced | 47,407,638.00 |
| Total Prior Period Usage Invoiced | 3,685,273.00 |
| Total Prior Period Usage Disputed (This was not disclosed by BellSouth but is presumed to be 100% of Prior Period Usage Invoiced) | (3,685,273.00) |
| 20% as Non-ISP Traffic | 9,481,527.60 |
| 99.2% as Local Traffic, Using BellSouth PLU | 9,405,675.38 |
| 0.80% as IntraLATA Traffic Using BellSouth PLU of 99.2% | 75,852.22 |
| Local Charges at Rate Claimed by BellSouth of \$.0019 | \$ 17,870.78 |
| IntraLATA Charges at Rate Claimed by BellSouth of \$.012027 | \$ 912.27 |
| Total Charges Due Following Application of BellSouth Dispute Claims | <u>\$ 18,783.06</u> |
| Charges Computed as Payable By BellSouth | <u>\$ 16,806.58</u> |
| Unexplained Underpayment by BellSouth | <u>\$ (1,976.48)</u> |

The total of the charges on the invoice issued was \$427,277.13. BellSouth disputed all but \$16,806.58 of this amount. This payment pattern is similar to that seen on preceding invoices. As discussed above, we have clear support for the charges issued on this and prior invoices. We expect for this and prior invoices to be paid as issued. With regard to conflicts between usage measurements, we again invite BellSouth to provide measurements at the requested level of detail in order to discuss the variances with appropriate evidentiary support.

We are already seeking the assistance of the Tennessee Public Service Commission with regard to the withheld payments for presumed ISP traffic. Should we be unable to reach an amicable resolution to the other dispute items listed above, we are prepared to pursue all legal remedies available.

If you wish to discuss these issues in expanded detail please contact me. I appreciate your consideration of these matters.

Sincerely,



Daniel Aronson



Interconnection Purchasing Center
7th Floor
600 North 19th Street
Birmingham, AL 35203

March 1, 2000

MCI Metro/Worldcom
Attn: Switched Access
P.O. Box 444121
Dallas, TX 75284

Re: Payment and Disputed billing on (Invoice Account) DTN0468M00-00041.

Dear Sir or Madam:

BellSouth is withholding payment in the amount of \$103,481.13 due to Internet Service Provider(ISP) Usage. BellSouth is deducting 80% for ISP usage, then applying the appropriate 99.2% PLU, IntraLata rate of .012027, and Local rate of .0019 to determine the amount of usage to pay. BellSouth is also withholding payment in the amount of \$146,330.25 for incorrect IntraLata rate and incorrect Local rate in the amount of \$137,730.90. Payment in the amount of \$22,925.27 will also be withheld for over billed Late Usage.

Enclosed are payments for the attached list of invoices. Please apply payment as noted on the attachment.

Our address has changed. Your assistance is needed to ensure timely receipt of the invoices/bills to BellSouth, please verify that all accounts reflect the following address:

BellSouth Telecommunication, Inc.
ATTN: Interconnection Purchasing Center
600 North 19th Street
7th Floor
Birmingham, AL 35203

Please contact Carla Murphy at 205 714-0206, if you have questions or would like to discuss.

Sincerely,

Carla Murphy

Carla Murphy
Service Representative

18-Sep-01 03:11P

EXHIBIT 2

Aronson, Daniel

From: Aronson, Daniel
Sent: Thursday, May 24, 2001 9:21 AM
To: 'Jerry.D.Hendrix@bridge.bellsouth.com'; 'richard.mcintire1@bridge.bellsouth.com'; Henry, Michael J.; Hales, James
Subject: BELL SOUTH DISPUTE RESOLUTION PROCESSES

Richard

Please let me know in writing when you will be responding to the following.

1. Usage disputes - for over one year now, we have made repeated requests of Bell South to support its disputes of usage volumes. WorldCom has twice provided detail records in a manner requested by BellSouth. BellSouth has failed in providing useful comparative records and has failed to analyze the records sent by WorldCom. In the absence of any meaningful response BellSouth must discontinue its usage disputes.
2. Disputes of facilities charges in Georgia and Florida - Repeatedly WorldCom has made every effort to provide to BellSouth additional information needed to identify circuits for which Bell South has been billed. During a phone conversation last week, you stated that the circuits have been identified. Now you have questions on the rates. The rates are those from The WorldCom Tariffs. We have provided copies of those tariffs to you. What are your issues at this point?
3. North Carolina withholding amounts - Over the course of two years, I have asked you repeatedly to provide an analysis of the basis for your continued withholdings in North Carolina. Our attorneys have contacted your attorneys. I have been promised a response repeatedly and have never received a response. When can I expect a detailed breakdown of your disputes.
4. Toll rate disputes. Charges to BellSouth for switched access are to be based upon the intrastate tariffs of MCI WorldCom Technologies, Brooks Fiber Communications and MCI Metro Access Transmission Services. We have discussed your rate disputes repeatedly over the past two years. We have provided to you copies of the pertinent portions of the tariffs. Your dispute of rates continues. Apparently you have not communicated the appropriate rules to your staff. We expect these access rates to stop and for all prior rate dispute amounts to be paid. Please provide written acknowledgement that rates charged in accordance with our filed intrastate tariffs will be paid.

Irrespective of any ongoing settlement discussions - I expect these issues to be resolved in a responsive and professional fashion.

If you have any questions, please call.

Aronson, Daniel

From: Aronson, Daniel
Sent: Monday, June 04, 2001 12:15 PM
To: 'Richard.McIntire1@bridge.bellsouth.com'; Kip.Edenfield@BellSouth.COM
Cc: Jerry.D.Hendrix@bridge.bellsouth.com; Henry, Michael J.; Hales, James
Subject: RE: BELL SOUTH DISPUTE RESOLUTION PROCESSES

Richard

I have reiterated these requests in order to facilitate a reasoned approach to settlement discussions.

Your response is another in a long list of failures to quantify, explain or support the disputes issued by BellSouth.

I need your assistance in defining and quantifying these disputes in order to make recommendations to WorldCom Management.

As you are fully aware we are now facing a wide array of disputes from BellSouth that have not been properly explained, quantified or supported. BellSouth has not provided the requested explanation or substantiation. My expectation is that this operating mode will continue unless BellSouth provides responses to such inquiries. I have just received another batch of dispute letters with the same unsubstantiated dispute claims. I am asking that you begin responding to these requests in order to get these transactions operating in a business like manner.

I again ask that you provide an analysis of the disputes related to traffic carried by MCI Metro Access Transmission Services in North Carolina. BellSouth has never responded appropriately to the order of the North Carolina Commission.

I again ask that you review the usage data that has been sent to BellSouth in support of our billings. You should be able to identify any originating sources that are not those of BellSouth. You have repeatedly failed to respond in kind to requests for data to support your usage disputes. What is your plan here?

There is nothing associated with attorney level discussions that should in anyway impede your response to these inquiries.

Respectfully,
Dan Aronson

—Original Message—

From: Richard.McIntire1@bridge.bellsouth.com
[mailto:Richard.McIntire1@bridge.bellsouth.com]
Sent: Friday, June 01, 2001 2:47 PM
To: Aronson, Daniel; Kip.Edenfield@BellSouth.COM
Cc: Jerry.D.Hendrix@bridge.bellsouth.com;
Richard.McIntire1@bridge.bellsouth.com; Henry, Michael J.; Hales, James
Subject: BELL SOUTH DISPUTE RESOLUTION PROCESSES

Dan

In response to your openmail, all of the items that are being negotiated at this time are in the control of legal and contract negotiation. It would be very imprudent to make any adjustments to the amounts being discussed for settlement. If you have any questions I can be reached at 205-714-0246.

Richard

EXHIBIT 3

Michael Henry

From: Case, Gary [IMCEAEX-
_O=MCI_OU=EXCHANGE_CN=MCI+20WORLDCom_CN=GARY+2ECASE+40WCOM+2ECOM@EX
Sent: Tuesday, December 19, 2000 9:42 AM
To: Ronald.M.Moreira@bridge.bellsouth.com
Cc: Aronson, Daniel; Richard.McIntire1@bridge.bellsouth.com
Subject: RE: Nov. 15 Usage Data Atlanta (Updated)

Ron,

Can BellSouth provide this information by originating CLLI as well. I have been trying to investigate the variances and it would be helpful to have this additional information. Obviously there are WorldCom terminating NPANXXs where we are showing more usage than BellSouth's system. My thought process is to ensure that all of BellSouth's originating offices are capturing the data. We have had similar issues with other RBOCs when doing these type of audits.

One initial thought concerns the capture of terminating usage by BellSouth to WorldCom customers who have ported "BellSouth" numbers. Can you provide a list of the ported numbers that the BellSouth system identifies as WorldCom/MCI? We can provide a similar list for comparison.

Thanks

Gary Case

-----Original Message-----

From: Ronald.M.Moreira@bridge.bellsouth.com
[mailto:Ronald.M.Moreira@bridge.bellsouth.com]
Sent: Wednesday, December 06, 2000 3:20 PM
To: gary.case@wcom.com
Cc: Daniel.Aronson@wcom.com; Richard.McIntire1@bridge.bellsouth.com
Subject: Nov. 15 Usage Data Atlanta (Updated)

<< File: Nov. >> << File: WCOM11~1.XLS >>

9/19/01

Michael Henry

From: Ronald.M.Moreira@bridge.bellsouth.com
Sent: Tuesday, December 19, 2000 1:35 PM
To: Case, Gary
Cc: Aronson, Daniel; Richard.Mointire1@bridge.bellsouth.com;
Ronald.M.Moreira@bridge.bellsouth.com
Subject: RE: Nov. 15 Usage Data Atlanta (Updated)
Follow Up Follow up
Flag:
Flag Status: Flagged

Gary,

In response to your Email of December 19th, The database used to pull usage data, does not contain the CLLI codes associated with the NPANXXs. Also, I have no way to determine either the phone numbers or the total of phone numbers currently being ported to WorldCom/MCI. If this were available to me I would have been able to reply with more usefule information to you. However, this data is just not available to me.

Ron

9/19/01

EXHIBIT 4



Interconnection Purchasing Center
600 North 19th Street
7th Floor
Birmingham, AL 35203

August 2, 2000

Danielle B. Carver
MCI Metro Worldcom
500 Clinton Center Drive
Clinton, MS 39056

Re: Disputed charges on (901 DTN-0468 M00), (DTN0468M00-00192) dated July 10, 2000.

Dear Sir or Madam:

This is to confirm our conversation of (June 27, 2000) regarding charges invoiced to BellSouth. BellSouth is disputing charges in the amount of \$555,639.87. The charges are in dispute because:

- the minutes of use invoiced exceed the minutes of use recorded by BellSouth for the same period of time. Please see attachment for details.
- Internet Service Provider (ISP) usage is inappropriately invoiced to BellSouth. We are paying usage based on BellSouth's recordings, deducting ISP usage, then applying the appropriate PLU and rate to determine the amount of Local and IntraLATA usage to pay.
- the charges for the minutes of use were calculated using an incorrect Percent Local Usage (PLU). BellSouth reported a PLU of 99.8 % for this usage period.
- the Local (and/or) IntraLATA usage rates invoiced are incorrect.

Payment in the amount of \$5,623.90 for the non-disputed charges will be forwarded on or around August 10, 2000.

Please investigate this claim and advise BellSouth of the resolution as quickly as possible. Should you have any questions please contact *Carla Murphy* at 205 714-0206.

Sincerely,

Carla Murphy

Service Representative

MCI Metro Worldcom

INVOICE DATE:

July 10, 2000

LOCATION (CITY/STATE):

TM

PROVIDER'S ACCOUNT#:

801 DTM-0458 M30

PROVIDER'S INVOICE #:

DTIC652100-00192

BEST'S QUEST MY DATE:

FOR INTERNAL BST USE ONLY:

VOUCHER IDE:

CHECK #1:

BSTR'S QUEST ACT: #

COMMENTS/DISPUTE DESCRIPTION

| TOTAL AMOUNT INVOICED | AMOUNT OF PAYMENT | AMOUNT DISPUTED | CHARGE TYPE DISPUTED | INVOICE REMAINING BALANCE AFTER PAYMENTS/DISPUTE APPLIED | COMMENTS/DISPUTE DESCRIPTION |
|--------------------------|----------------------|--------------------|-------------------------|---|--|
| \$561,263.77 | \$5,623.90 | \$555,639.87 | USAGE | | MO'S INVOICED EXCEED BST RECORDINGS/ INCORRECT PLU APPLIED/ INCORRECT RATE ELEMENTS/ ISP USAGE. |
| | | \$0.00 | | | |
| | | \$0.00 | | | |
| | | \$0.00 | | | |
| | | \$0.00 | | | |
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| | | \$0.00 | | | |
| | | \$0.00 | | | |
| | | \$0.00 | | | |
| \$561,263.77 | \$5,623.90 | \$555,639.87 | | \$0.00 | |



Daniel Aronson
Director, Carrier Access Billing
500 Clinton Center Drive Clinton, MS 39056
Phone: 601-460-8060 Fax: 601-460-5115
Email: Daniel.Aronson@Wcom.com

November 29, 2000

Jerry Hendrix
Director, Interconnection Services Pricing
BellSouth Telecommunications, Inc.
Room 34891 BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

Dear Mr. Hendrix

This letter is being transmitted to, once again, bring to your attention the continued failure of BellSouth to provide any useful attention to attempts to resolve disputes regarding reciprocal compensation invoices to WorldCom.

I have been repeatedly promised by Richard McIntire that a response to my letter of November 2, 2000 discussing payments due to MCI Metro Access Transmission Services for past due amounts in the state of Florida would be provided. No response has been received.

I have made numerous attempts to initiate payment of outstanding amounts due to MCI Metro Access Transmission Service for invoices rendered for services provided in the state of North Carolina. These actions followed receipt of a letter issued on July 15, 1999 from Ms. Cathleen M. Plant of BellSouth in which she stated "Therefore, in accordance with the Commission's Orders, BellSouth will pay MCI all ISP-related reciprocal compensation currently due." There has been no action taken on the part of BellSouth. I will again remind you that you are in violation of an Order by the North Carolina Public Utilities Commission to pay charges disputed on the basis of traffic terminated to Internet Service Providers.

We demand that these issues be addressed.

Additionally, I have made the following demands to Richard McIntire and Carla Murphy of BellSouth regarding the nature of the dispute letters sent to the WorldCom companies month over month.

First, the form letter used by Ms. Murphy consistently references conversations held with my staff regarding the disputes referenced in the letters. I have told her, I have told Richard McIntire and I am telling you that this is outright misrepresentation. We object strongly to this and demand that these misrepresentations cease.

Second, I have told Carla Murphy and Richard McIntire of BellSouth that the dispute letters sent to WorldCom inadequately specify the amounts and reasons associated with the disputes. The disputes typically list three or four bases and associate these reasons with a single amount. When your representatives are called to discuss the disputes they cannot explain nor associate the reasons with specific amounts. We are told that this methodology is that mandated by BellSouth policy. I expect for this sub-standard presentation to be fixed.

Mr. Jerry Hendrix
November 29, 2000
Page 2 of 2

I expect that you will be giving immediate attention to these delinquent payment amounts and improper dispute notification processes.

If you have any questions regarding these matters, please do not hesitate in calling.

Sincerely,

A handwritten signature in cursive script, appearing to read "Daniel Aronson", followed by a horizontal flourish.

Daniel Aronson

CC: Michael J. Henry

EXHIBIT 5

per Jerry Hendrup
Sent via email to
Marcel Henry
7/16/01

July 16, 2001

Mr. Marcel Henry
Title
Company
Address
City, State, Zip

Re: TN/MCI Payment

Dear Mr. Henry:

As I am sure you are aware, the Tennessee Regulatory Authority ordered BellSouth to pay MCImetro, under the April 4, 1997 Interconnection Agreement, for ISP-bound traffic at the end office rate. BellSouth has reviewed the information MCI provided to BellSouth regarding your calculation of the \$10.2M claim and has found some significant discrepancies in MCImetro's calculation.

First, BellSouth found that MCImetro used the incorrect Percent Local Usage ("PLU") factor in calculating the amount that BellSouth owes MCI. As you are aware, under Section 7.3 of Attachment V of the MCI/BellSouth Interconnection Agreement, BellSouth determines the PLU for BellSouth-originated traffic. Pursuant to Section 8.2, MCI may request an audit of the provided PLU factors. MCI does not, however, have the right to disregard the use of BellSouth's PLU for BellSouth originated traffic. As such, BellSouth has adjusted the amount paid to reflect the correct PLU. This adjustment is approximately \$3.5M.

Second, per its terms, the April 4, 1997 Interconnection Agreement expired on April 3, 2000. That Interconnection Agreement had a provision that provides that the rates, terms, and conditions agreed to in a subsequent agreement (i.e. the pending arbitration) will be retroactive back to the expiration date. Accordingly, BellSouth paid for local ISP usage at the rate of \$.004 through April 3, 2000, and, per the TRA's order in the 97-01262 docket (June 15, 2001), has applied the approved end off switching rate of \$.0008041 from April 4, 2000 to present. Because BellSouth paid reciprocal compensation for a time period (April 4, 2000

Attachment E

Mr. Marcel Henry
July 16, 2001
Page 2

through June 14, 2001), the effective date of the FCC's order confirming ISP traffic as interstate subject to FCC jurisdiction, that will be covered under the new agreement pending before the TRA, BellSouth reserves the right to true-up those amounts paid consistent with the TRA's anticipated Arbitration Order and FCC mandate. Using the correct end office rates as described above resulted in an adjustment of approximately \$2.8M.

Third, BellSouth found that MCImetro invoiced approximately 166 million minutes (of approximately 1.3 billion total minutes) of use that appear unsubstantiated. This discrepancy is the result of MCI reporting more terminating minutes than BellSouth's switches show that we originated. As such, BellSouth adjusted the amount paid to exclude these minutes. BellSouth would welcome the opportunity to discuss these minutes and the differences in our records. However, as the originating carrier, BellSouth believes that its records as to the amount of originated traffic are accurate. This difference of minutes of use resulted in an adjustment of approximately \$1M.

Fourth, MCImetro invoiced BellSouth for IntraLATA access at rates of approximately \$.06 per minute of use. BellSouth could not confirm these rates at the time the payment was made. Subsequent to wiring the monies, BellSouth obtained a copy of MCImetro's tariff. Because at the time the monies were wired BellSouth did not possess the MCI tariff, BellSouth included in the already wired amount payment for the intraLATA access at BellSouth tariff rates. However, BellSouth plans to immediately make an additional payment to MCImetro based on the appropriate rates in MCI's tariff. This amount is valued at approximately \$.5M.

Finally, BellSouth made several payments to MCI that were not reflected on the MCI spreadsheet. After adjusting for unrecorded payments and the adjustments discussed above, together with the resulting reduction in interest penalties for MCImetro's overstated amounts due, BellSouth wired \$2,223,231 to MCImetro last night. BellSouth will make an additional payment to MCI of approximately \$500,000 as mentioned above to account for MCI's tariff IntraLATA rates, which BellSouth would note are approximately 15 times higher than BellSouth's intraLATA rates. We stand ready to discuss the discrepancies between our switch's record of originating minutes versus MCI's claim of terminating minutes.

Mr. Marcel Henry
July 16, 2001
Page 3

If you have any questions, please contact me. Additionally, you can contact Richard McIntire at (205) 724-0246 for further information.

Sincerely,

Jerry D. Hendrix

cc: Kip Edenfield, BellSouth
Richard McIntire, BellSouth

EXHIBIT 6



Daniel Aronson
 Director, Carrier Access Billing
 500 Clinton Center Drive Clinton, MS 39056
 Phone: 601-460-8060 Fax: 601-460-5715
 Email: Daniel.Aronson@Worldcom.com

July 20, 2001

Mr. Jerry Hendrix
 BellSouth Telecommunications, Inc.
 Room 34491 BellSouth Center
 675 West Peachtree Street, N.E.
 Atlanta, Georgia 30375

Mr. Hendrix:

I am in receipt of your letter to Marcel Henry dated July 16, 2001 regarding your refusal to pay the full amounts due to WorldCom as ordered by the Tennessee Regulatory Authority (TRA) on June 15th, July 10th, and July 12th of this year. As you are aware, the TRA orders require BellSouth to pay all amounts due by Friday, July 13th, and your withholding of approximately \$7.3 million of the \$10.2 million due constitutes a blatant violation of the TRA's clear order and a breach of the interconnection agreement (Agreement) between MCI and BellSouth.

Regarding your assertions used to justify your non-payment, I have the following responses:

1. APPLICATION OF BELL SOUTH PROVIDED PERCENTAGE OF LOCAL USE FACTORS

Per the Agreement and preferred industry practices, MCI utilizes actual charge information provided to MCI from BellSouth via the SS7 signaling networks in determining the amount of traffic that is local and toll when developing its bills to BellSouth. BellSouth's withholding of \$3.5 million is based upon ignoring MCI's measurements and replacing them with BellSouth's own PLU, which is not allowed per the Agreement.

Per Attachment IV, Section 2.2.1.1 of the Agreement, BellSouth is to provide NXX information to allow the use of actual charge information:

2.2.1.1 BellSouth shall provide to MCI, on diskette(s) or in any other manner that the parties agree to, on a one-time basis when requested by MCI, an all-inclusive list (BellSouth, LEC, CLEC and EAS NXX's) of NXX's pertaining to section 2.2.1, above, that creates parity with that which BellSouth provides to itself. MCI may require, upon request, updates to this list.

Had MCI not intended to rate traffic on the basis of recorded indicators, provision of certain information indicated below would not have been stipulated in the contract. Per Attachment IV, Section 3.2, BellSouth is to provide signaling information necessary to allow actual billing:

"All CCS signaling parameters will be provided including automatic number identification (ANI), originating line information (OLI), calling party category, charge number, etc."

Mr. Jerry Hendrix

July 16, 2001

Page 2 of 2

Finally, Attachment IV, Section 7.3 provides that both parties are to provide total traffic volume broken out by call type (local, toll, and other)...as well as a PLU. Nowhere in the Agreement does it provide for BellSouth's to override MCI's measurements by use of their own PLU.

Attachment VIII, Section 3 sheds light on the parties intended use of PLUs :

BellSouth shall bill MCI for the Connectivity Charges incurred; provided that for those usage based Connectivity Charges where actual charge information is not determinable by BellSouth because the jurisdiction (i.e., interstate, interstate/interLATA, intrastate, intrastate/intraLATA, local) of the traffic is unidentifiable, or for other reason, the parties shall jointly develop a process to determine the appropriate charges.

This language provides clear guidance that the parties intended for PLUs and other means to be used only in instances where actual charge information is not available. This was clearly not the case in the relationship between MCI and BellSouth.

2. APPLICATION OF TRUE UP

Per the Agreement, retroactive rates are only to be applied after a new agreement has been executed and approved. As this has not occurred in Tennessee between MCI and BellSouth, no true up is required. The Agreement does not allow parties to unilaterally apply a true up in anticipation of a new contract. Thus, the rate of \$.004 is the appropriate rate and BellSouth's \$2.6 million claim is not allowed per the Agreement.

3. USAGE DISPUTES

Per the Agreement, BellSouth has not properly raised its disputes regarding usage measurements, and thus your withholding of \$1 million is inappropriate and in violation of the contract. Per Section 7.1 of Attachment IV of the agreement, the carrier that is on the terminating end of the call (in the case MCI) is responsible for measuring usage and preparing the invoice. BellSouth's attempt to use originating usage as a means of developing charges is not allowed per the Agreement.

7.1 Each party shall calculate terminating interconnection minutes of use based on standard Automatic Message Accounting (AMA) recordings made within each party's network. These recordings being necessary for each party to generate bills to the other party

If BellSouth had sought support for MCI's usage measurements, the appropriate means to resolve such a dispute would have been for BellSouth to request an audit of MCI's records, Per Sections 22.2 of attachment A of the Agreement. The Agreement does not allow BellSouth to avoid the audit process and use its own unsupported estimated traffic measures as a means of avoiding payment.

22.2 Upon thirty (30) days written notice, either party shall have the right through its authorized representative to make an Audit or Examination, during normal business hours, of any records, accounts and processes which contain information bearing upon the provision of the services provided and performance standards agreed to under this Agreement. Within the above-

Mr. Jerry Hendrix
July 16, 2001
Page 3 of 3

described 30-day period, the parties shall reasonably agree upon the scope of the Audit or Examination, the documents and processes to be reviewed, and the time, place and manner in which the Audit or Examination shall be performed. Both parties agree to provide Audit or Examination support, including appropriate access to and use of facilities (e.g., conference rooms, telephones, copying machines).

4. APPLICATION OF MCI_m TARIFFED INTRASTATE ACCESS RATES

This matter has been brought to the attention of BellSouth in a variety of past conversations and items of correspondence. We have provided the pages with the tariffed rates to you repeatedly. We appreciate that you are now withdrawing this claim as unsupportable. We do not accept your estimate of \$700,000 as the total amount due for intrastate access charges as the total computation is dependent both upon the invoiced usage, the jurisdiction as measured in accordance with the Agreement and the MCI_m tariffed rate.

5. ADDITIONAL PAYMENTS

Because your letter specifies no dates, amounts or associated invoice identification we are unable to address this issue other than to inform you that we were advised on the prescribed application of a payment in the amount of \$6,045.08 on July 10, 2001. This information had not been provided to us at the time the referenced schedule was created. We would expect to adjust the total amount due per our records accordingly.

In summary, Jerry, we believe that BellSouth is blatantly disregarding the clear order of the TRA, the Agreement, and traditional business and industry practices. We intend to alert the TRA of your actions and utilize any available legal means to enforce the TRA's order and the Agreement.

Sincerely,

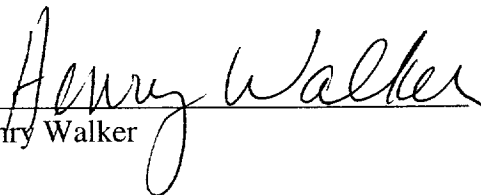
Daniel Aronson

CC:

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via fax or hand delivery and U.S. mail to the following on this the 21st day of September, 2001.

Guy Hicks, Esq.
BellSouth Telecommunications, Inc.
333 Commerce St., Suite 2101
Nashville, TN 37201-3300


Henry Walker